

Kentucky Office of Financial Institutions
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June 5, 2006

HUD Exempt Entities
Compliance Procedures for Changes to KRS 294
House Bill 462 - Effective July 12, 2006

- Effective July 12, 2006, HUD exempt entities (mortgage lenders, brokers, **and branches**) must report annually by January 15 the number of FHA insured mortgage loans that were originated on Kentucky Properties during the preceding calendar year.
- **January 15, 2007 is the due date for the initial report.** This report should include all FHA insured mortgage loans originated during calendar year 2006 by the responding entity.
- A current HUD exempt mortgage entity (lender, broker, or branch) must apply for licensure with OFI no later than 30 days after the reporting deadline of Jan. 15, 2007 if it does not meet the minimum FHA loan requirement outlined in House Bill 462 (12 FHA insured loans on Kentucky properties in calendar year 2006).
- On or about January 30, 2007 OFI will terminate any current HUD exemption for an entity that does not file the required report for calendar year 2006.
- On or about February 15, 2007 OFI will terminate any current HUD exemption for an entity that did not meet the 12 FHA loan requirement and has not yet applied for licensure.
- If a currently HUD exempt entity knows prior to the reporting deadline that they will not meet the 12 FHA loan requirement for calendar year 2006, the entity should apply for licensure within 30 days of knowing that it will not meet the FHA loan requirement. This is to avoid possible delays in the application process that could result from heavy application volume in February 2007.
- The reporting form will be designed and made available online prior to December 2006. The Office of Financial Institutions website is www.kfi.ky.gov.